



Future Growth Strategy

TOKAI RIKA CO., LTD.
Securities Identification Code:6995

May 27, 2026

 TOKAI RIKA

Our Vision for Tokai Rika

Do what
others won't do



Yoshio Kato
(Founder of Tokai Rika)

Purpose
(our aspiration and the reason for our existence)

Pass on our founding spirit and forge connections between **technological evolution** and **people** to **turn delight into reality**.

Vision
(the initiatives for realizing this aspiration)

Enhance our technologies in the fields of physics, science, electronics, and machinery through vehicle development to provide products and services that contribute to the community and the environment, and to **help realize an ever safer, more secure, and higher quality of life**.

Value
(our values and code of conduct)

“A Call to Thought and Action”
booklet issued to the Tokai Rika group

- Safety and quality first.
- Continuous kaizen by genchi-genbutsu
- Following the founding spirit, take on challenges and develop new corporate value.
- Demonstrate maximum individual efforts to realize superior results.
- Be honest, truthful, and sincere.
- Be grateful and humble, and strive for coexistence and shared prosperity.



INDEX

TRV(Tokai Rika Vision)2030

1. Targets
2. Growth Strategy
3. Capital Strategy

INDEX

TRV(Tokai Rika Vision)2030

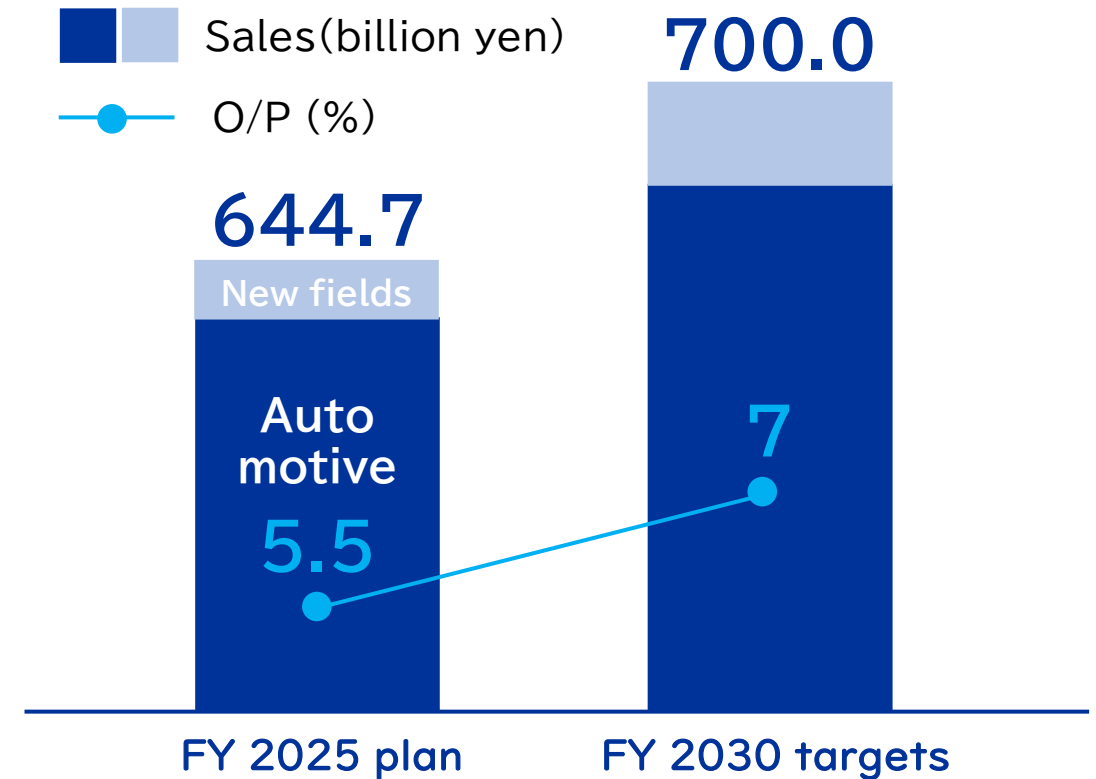
1. Targets
2. Growth Strategy
3. Capital Strategy

TRV(Tokai Rika Vision)2030

1. Targets

TRV2030 Targets

	FY 2025 results	FY 2030 targets
Sales	644.7 billion yen	700.0 billion yen
O/P %	5.5%	7%
ROE	9.0%	10%



Build business structure capable of continuing profit and capital efficiency, create tangible next-generation products and new businesses.

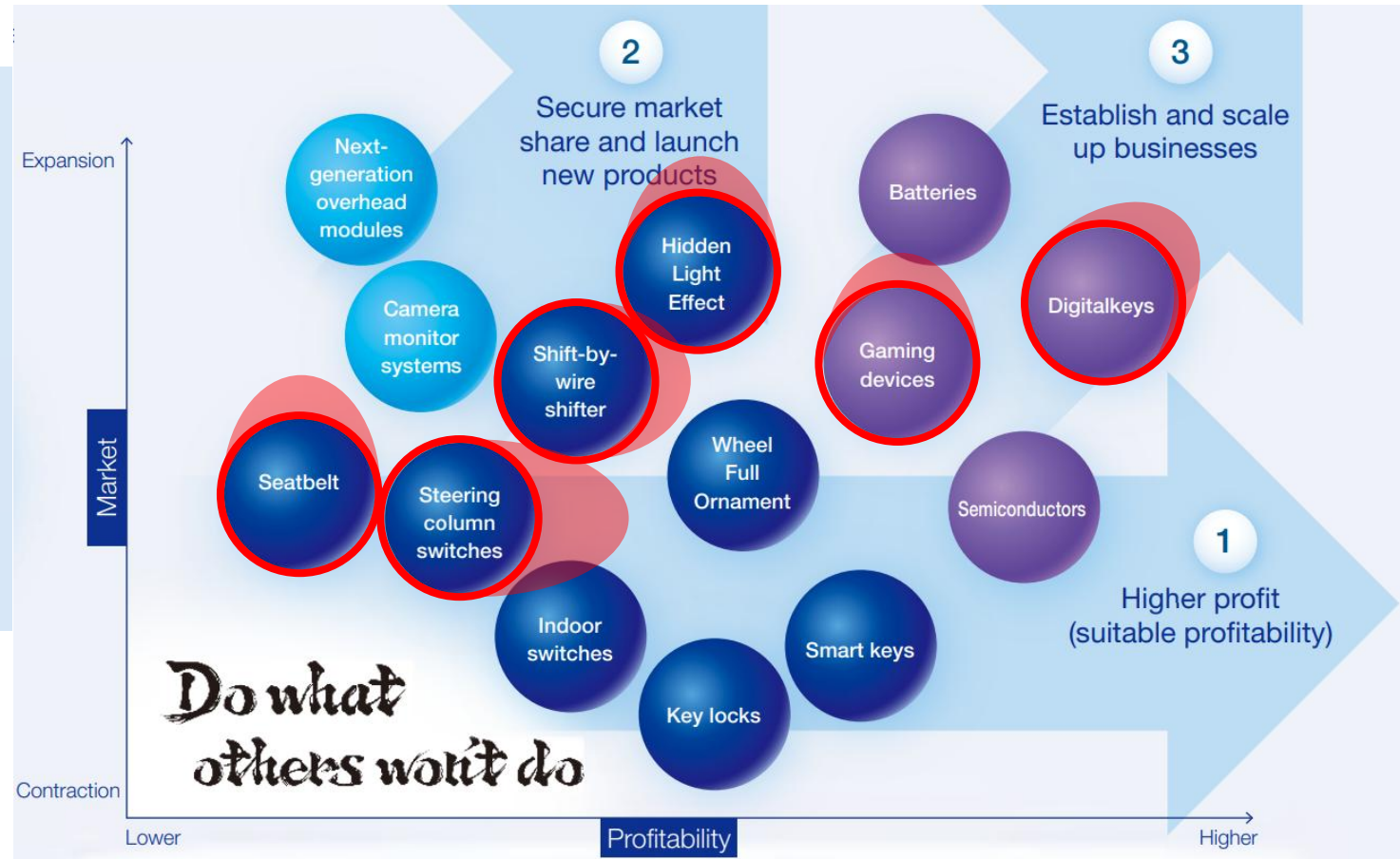
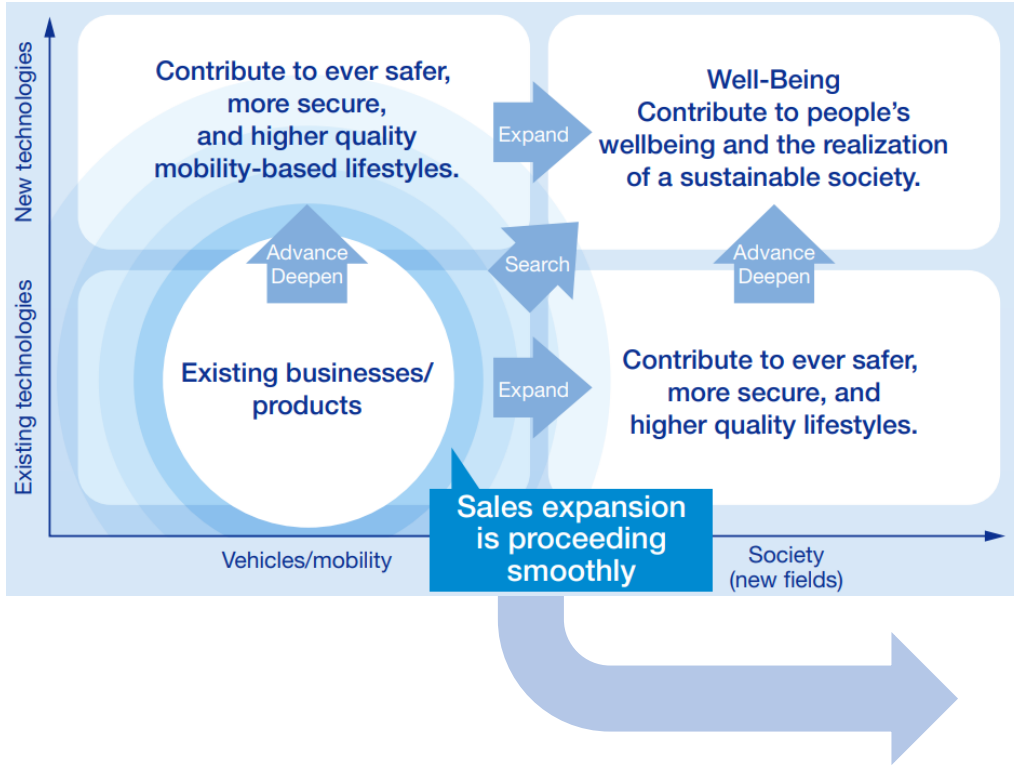
INDEX

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1. Targets
- 2. Growth strategy**
3. Capital strategy

TRV(Tokai Rika Vision)2030

2. Growth Strategy



Strategy for 2030 and beyond: **secure suitable profit** from products that are likely to contract, while **securing market share and establishing businesses** for products and businesses that are likely to expand.

TRV(Tokai Rika Vision)2030

Higher profit
(suitable profitability)



> Existing products (automotive/mobility)



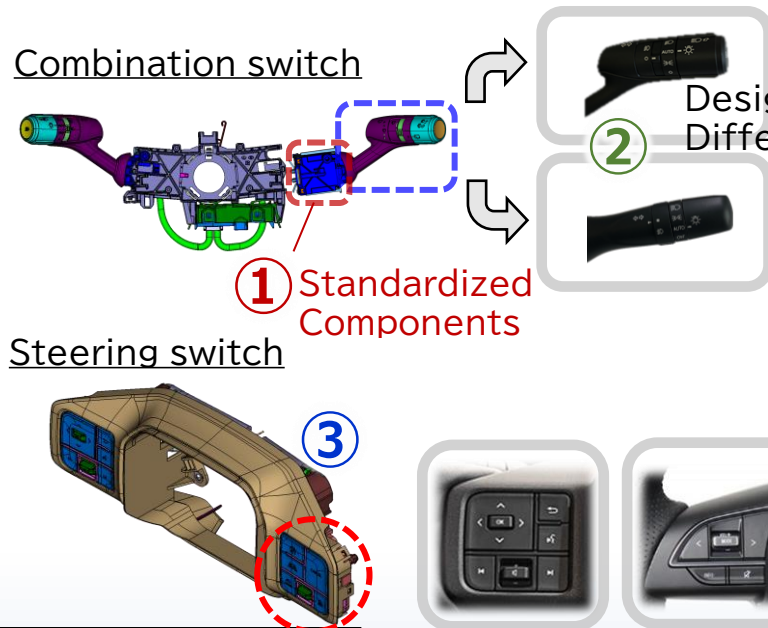
Smart Design & Manufacturing to Drive Growth and Profitability

- ① Standardized Mechanical Components Adopted Across OEMs
- ② Styling Differentiation by OEM
- ③ Unified Assembly Direction for Production on Common Automated Lines

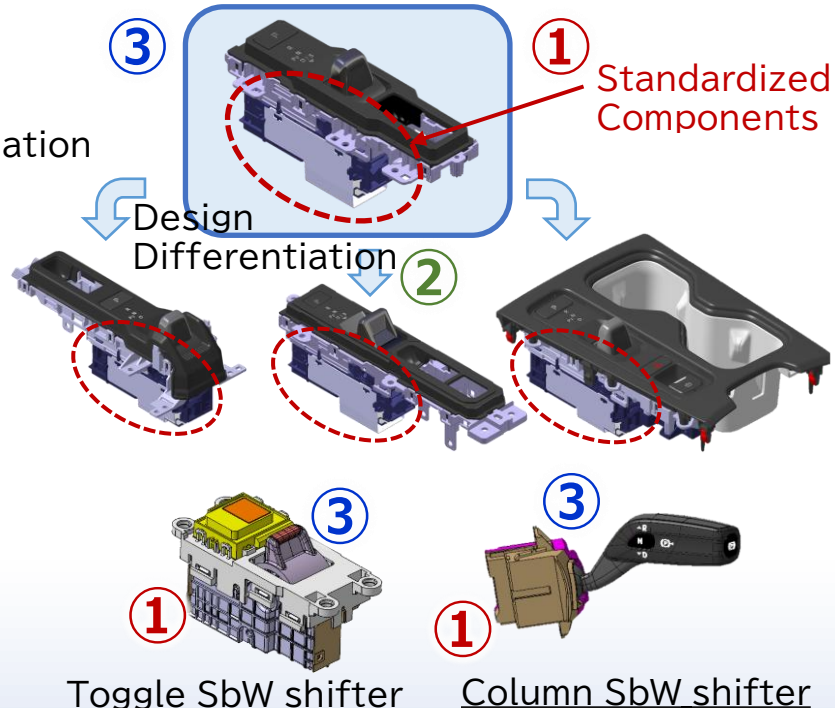
Hidden Light Effect® (transparent lighting)

Application Expansion:
Collaboration with interior suppliers
Model Expansion: Diverse colors,
patterns, and price points

Steering column switches



Shift-by-wire shifter



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Secure market share and launch new products

2



Next-generation products (automotive/mobility)



Human-Centric Services

Addressing Aging & Stress Challenges

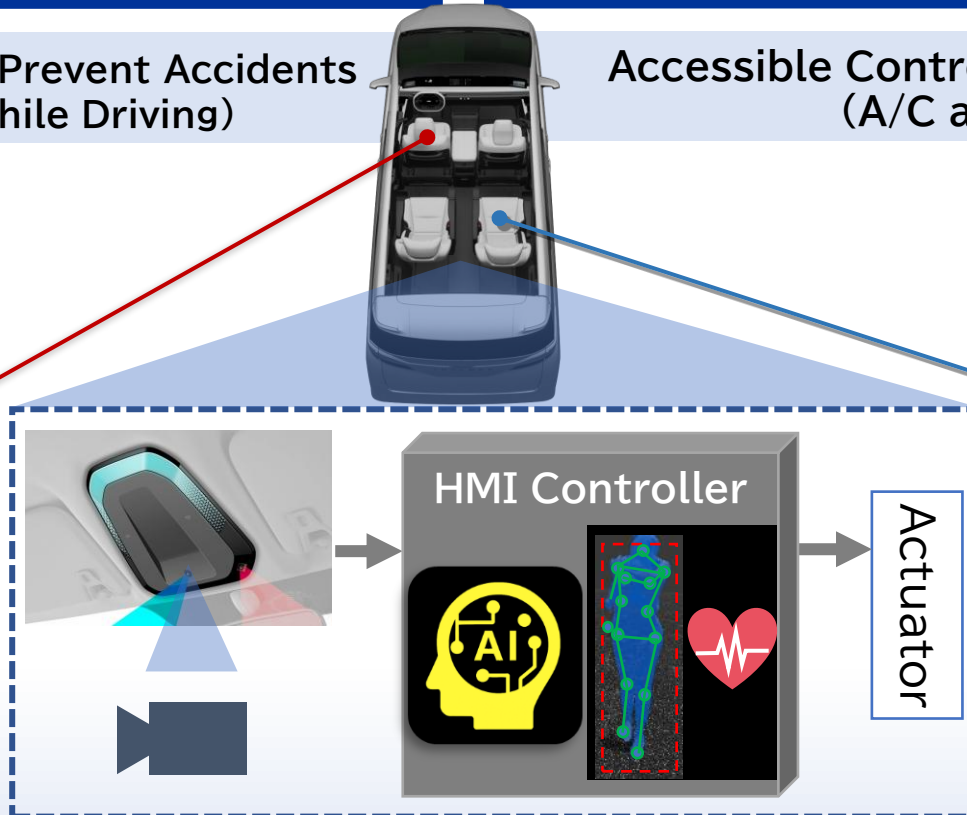
Adapting To Mobility Transformation In Autonomous Driving And SDVs Era

Capturing Human Internal States to Prevent Accidents (Mitigating Drowsiness and Stress While Driving)

Accessible Controls in Relaxed Seating Positions (A/C and Audio Operation)



Vital Sensing
Skeleton Detection & AI Learning
Multisensory Feedback (Sound, Light, Vibration)



Motion Sensing
Skeleton Detection & AI Learning
Multisensory Feedback (Sound, Light, Vibration)

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Secure market share and launch new products

2



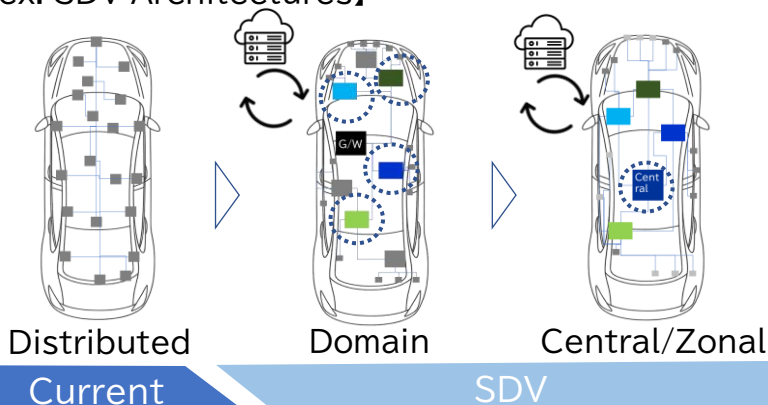
Next-generation products (automotive/mobility)



Product Development for SDV

Launch of SDV Development Team(April 2026)
~Cross-Domain SDV Capabilities~

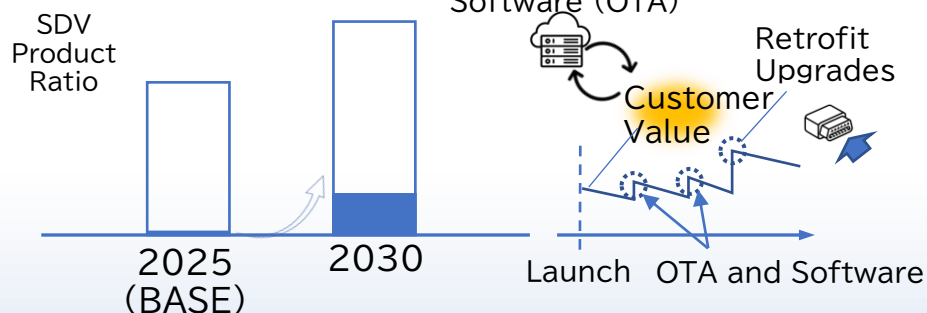
[ex. SDV Architectures]



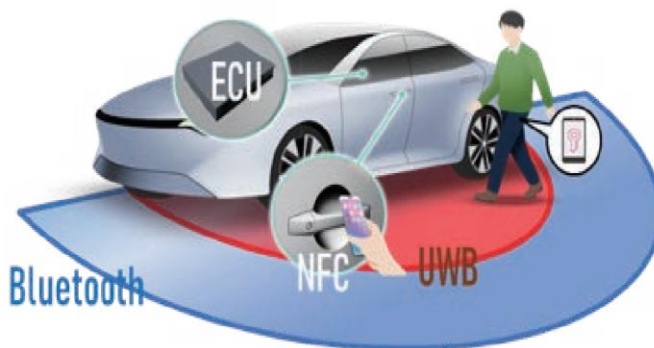
Updatable Product Development

Focus on Human Interfaces & Controls

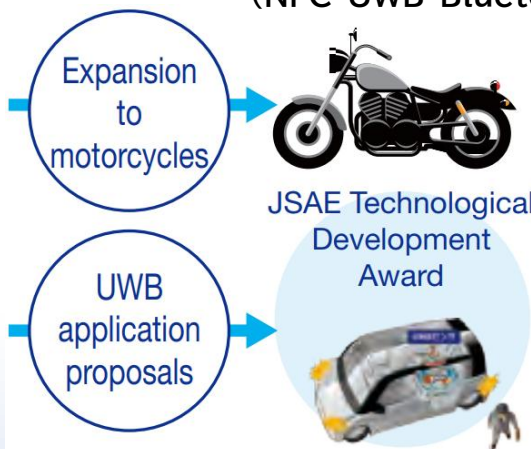
Software (OTA)



Digitalkey



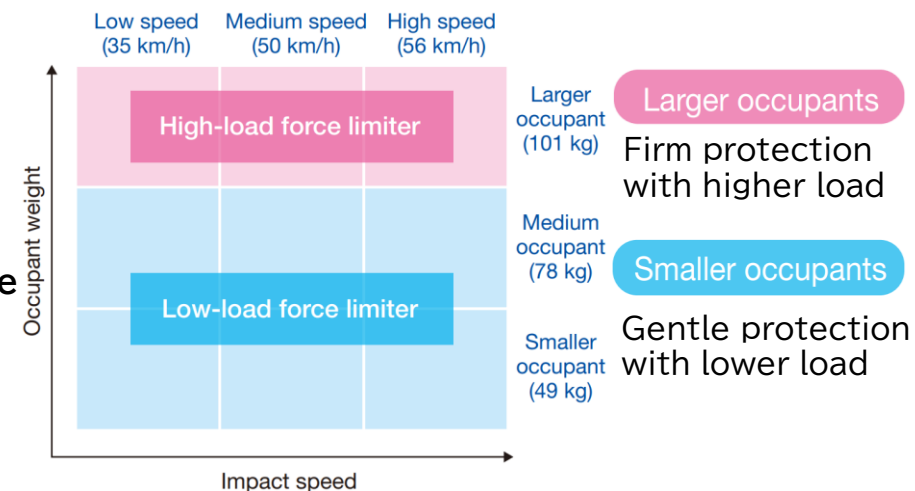
Digitalkey in-vehicle communication device (NFC·UWB·Bluetooth)



Seatbelts

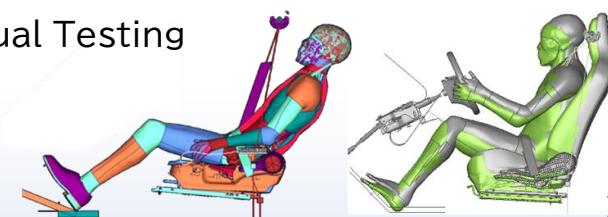
Responding to diverse occupant protection needs

①Selectable force limiter



②Diverse Seating Positions

Virtual Testing



TRV (Tokai Rika Vision) 2030

Secure market share and launch new products

2



Next-generation products (automotive/mobility)

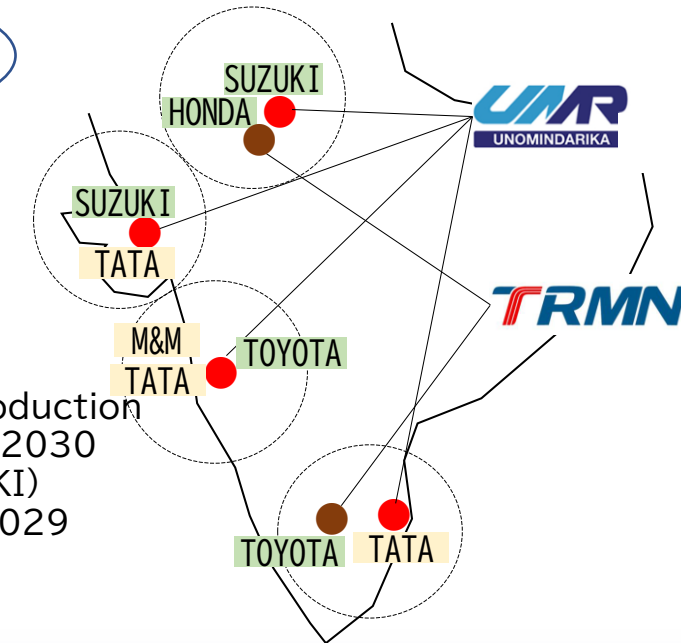
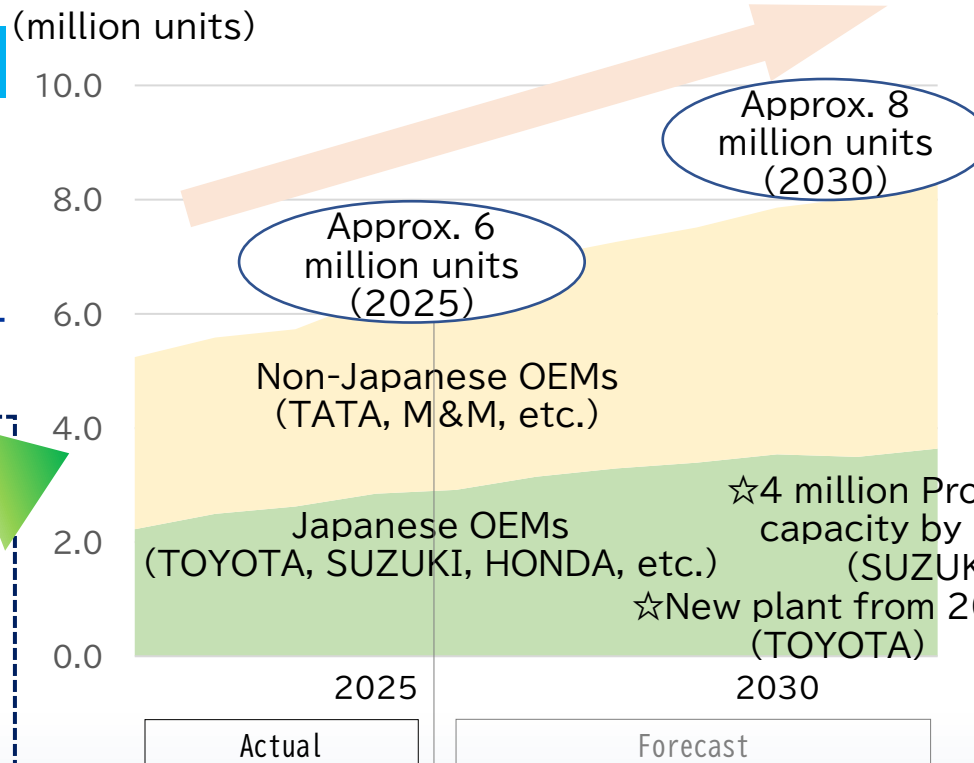
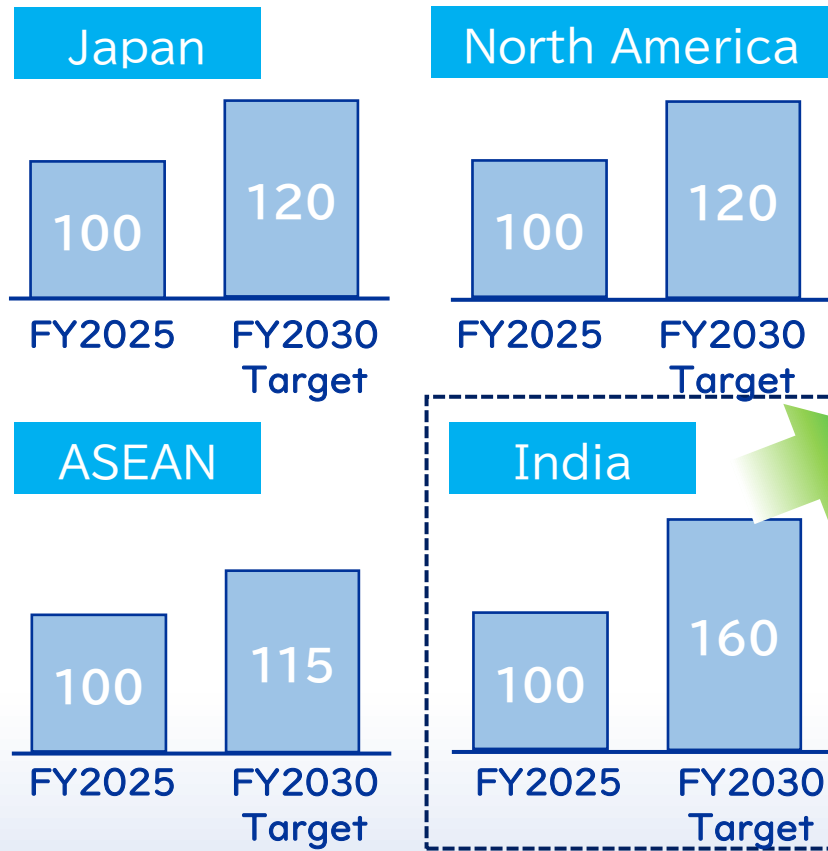


Regional Strategy

Key regions: Japan, North America, ASEAN, India
(Index: FY2025 = 100 for net sales)

Automobile production volume in India

India operations (from 2025): 2 JVs and 6 plants across 4 regions



Source: S&P Global

UMR : Uno Mindarika
TRMN : Tokai Rika Minda India

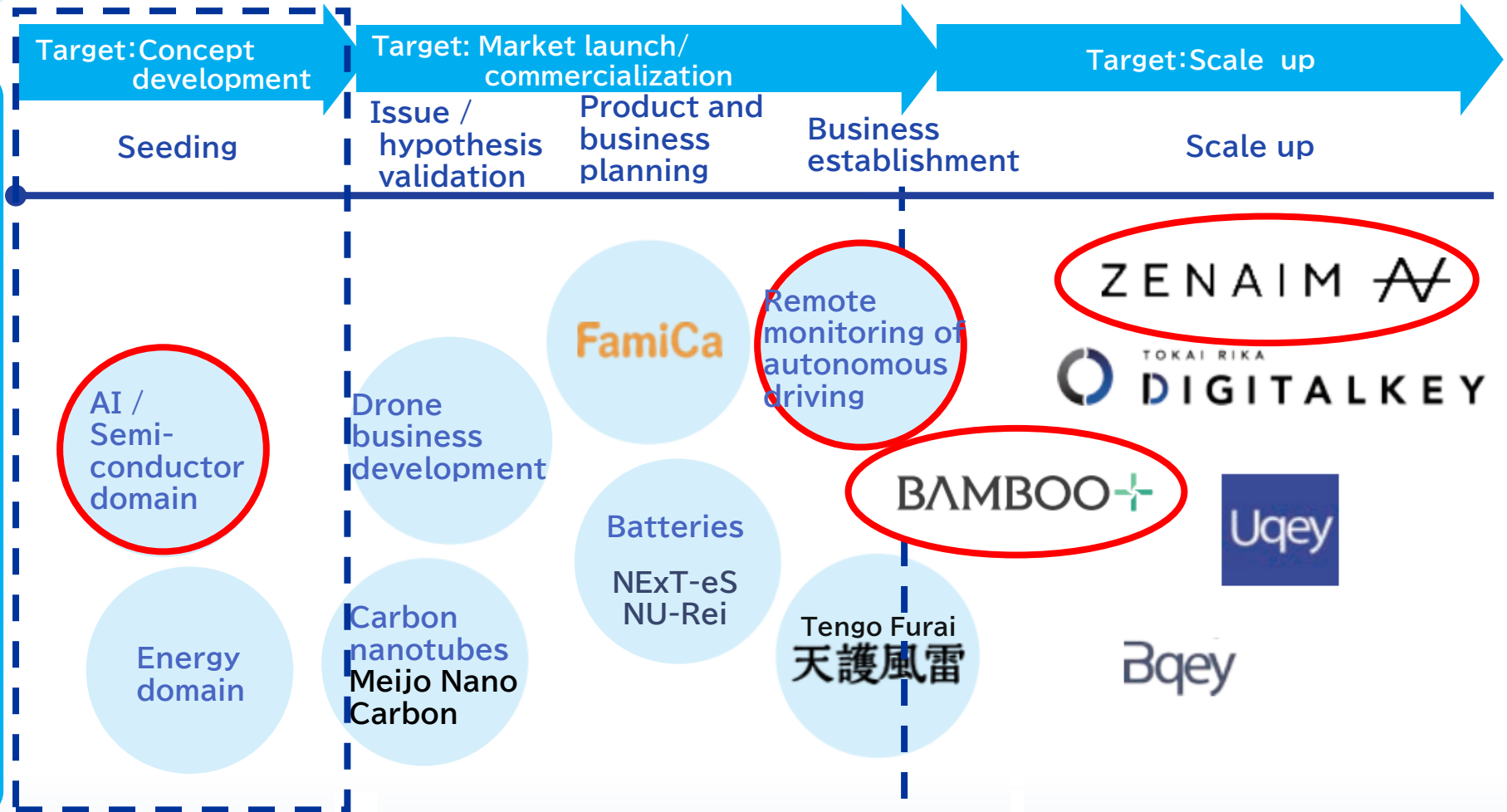
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Establish and scale up businesses

3

> New fields/businesses

- Scale launched products and services toward target achievement.
- Strengthen promotion systems for projects under business feasibility study: internal companies and creative collaboration teams.
- Initiate deep tech utilization in growth areas (AI, semiconductors, energy).



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Establish and scale up businesses

3

➤ New fields/businesses

Scale Up

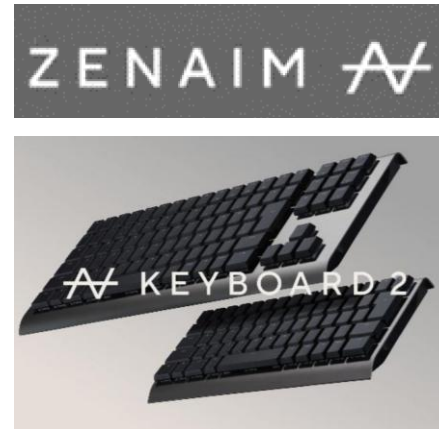
BAMBOO+[®]



Adopted as a material for the ornament panel in the LEXUS IS.



Featured in the "CARLIN Trendbook".



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Establish and scale up businesses

3

> New fields/businesses

Commercialization

Remote monitoring of autonomous driving

Aiming to address driver shortages and sustain regional public transportation, advancing from pilot tests toward social implementation.



Example of remote monitoring system

FY2026
-Adopted in 2 pilot test in Ibaraki and Kanagawa toward social implementation
-Expanding into the autonomous truck

In-cabin monitoring

Proposals aimed at enhancing passenger safety and preventing in-vehicle incidents, including raising safety awareness.



Example of AI-based human detection and pose estimation Passenger guidance display (seat availability guidance)

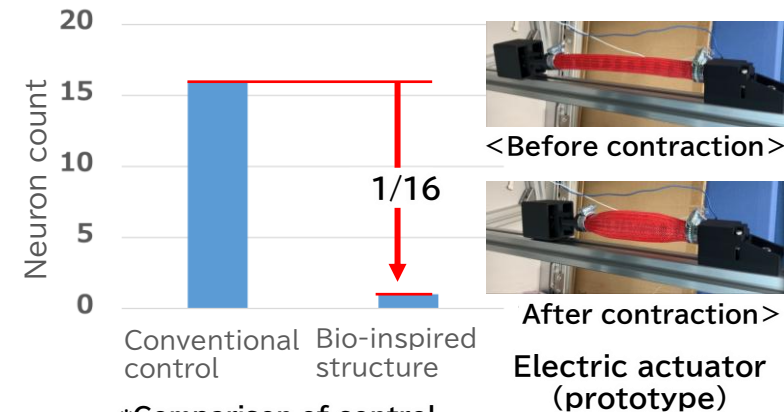
October 2025: Adopted by 2 companies. 5 units currently in operation at Kawasaki Tsurumi Rinko Bus and Nishi Tokyo Bus. Expanding to 5 additional companies (10+ units planned for operation).

Seeding

AI / Semiconductors

Development of electric actuators for physical AI.

Achieved control with 1/16 reduction.
⇒Accelerating entry into the robotics field.



*Comparison of control models based on prior research (study example)

INDEX

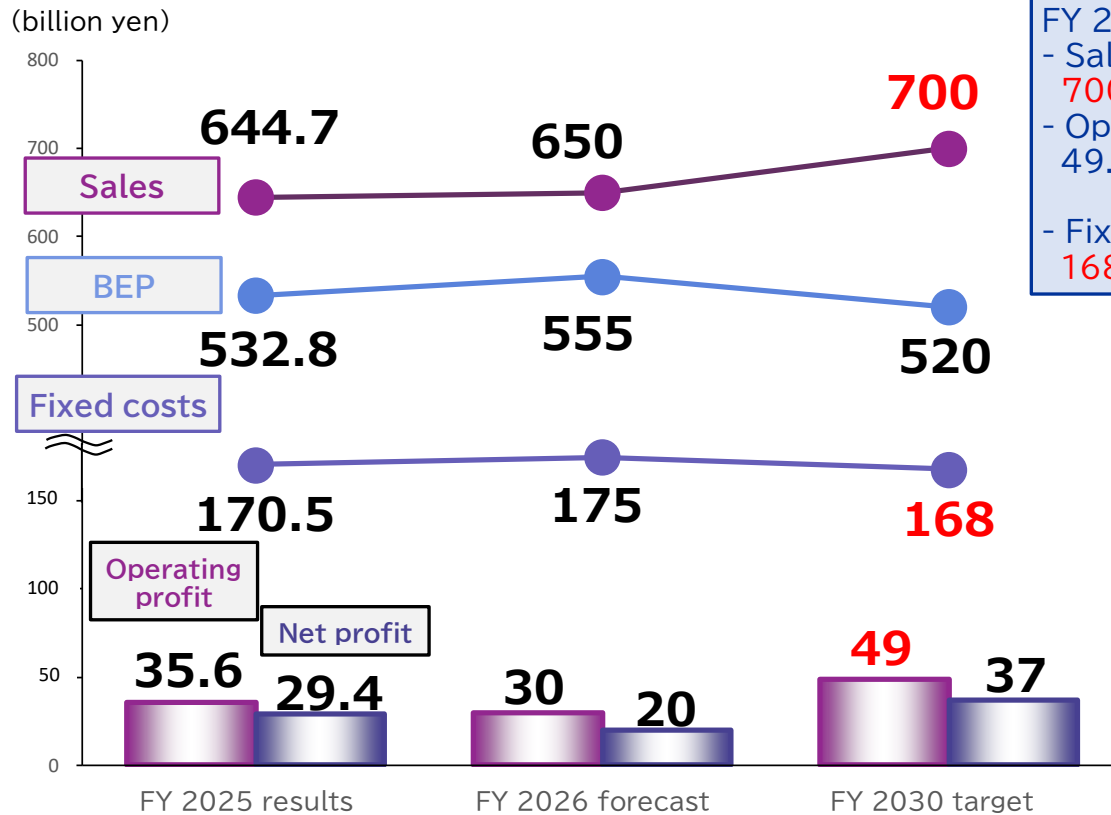
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1. Targets
2. Growth Strategy
3. Capital Strategy

TRV(Tokai Rika Vision)2030

Profit Structure

Consolidated financial plan



FY 2030 target:
 - Sales 700.0 billion yen
 - Operating profit 49.0 billion yen (7.0%)
 - Fixed costs 168.0 billion yen

FY2026 forecast: Profit decrease expected year-on-year

Impact of geopolitical risks in the Middle East:

- Risk of decline in customers' production volumes

Impact of inflation:

- Raw materials (gold, silver, copper, resins, steel, etc.)
- Surge in logistics costs
- Rising labor costs

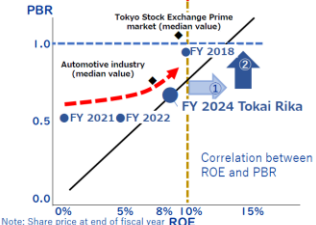
Progress of initiatives toward targets

- | | |
|--|----------------------|
| (1) Realize efficient and robust profits. Achieve strong sales and profit by utilizing TPS and DX with low capital investment (people, facilities, and expenses). | FY2025 progress
○ |
| (2) Build a change-resilient business structure (resilient to fluctuations in sales). Minimize fixed costs (Fixed costs serve as a foundation for future growth and should be leveraged effectively.). | ○ |
| (3) Create new businesses and expand added value by efficiently converting new challenges into sustainable revenue streams, driven by annual KPI setting and structured new business promotion plans. | △ |

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■Promotion of capital investment policy (improvement of capital efficiency)



Initiatives to increase price book-value ratio (PBR)

- Issues:
- Concerns about the growth of our core business due to changes in vehicle interiors
 - Concerns about negative growth due to quality issues

*May 29, 2025 Mid-Term Business Plan TRV2030 (Page 26)

Item	Mid-term initiatives
Higher sales/profit	Existing businesses: Smooth start-up of un-anticipated orders and further increase in added value. Thoroughly reduce inventories by 1/n capital investment and supply chain restructuring. Obtain profit from new areas and future business creation investment. Recall-free culture: Establish and implement defect-free conditions (Lyohin Joken) through SIC and integrated cross-process activities.
Reduction of equity capital	Improve capital-to-assets ratio and effectively utilize leverage. Ensure shareholder return (increase dividend, obtain treasury shares, etc.) and reduce cross-shareholdings.
Human resources investment	Effectively utilize treasury shares (enhance treasury share remuneration system for employees and executives).
Actions for sustainability	Further promote activities by establishing sustainability committee.
Dialogue with investors	Regular dialogue with investors inside and outside Japan Enhancement of information communication, such as IR activities to

	FY 2024	FY 2030 target
ROE	8.8%	Over 10%
Ratio of net profit to sales	4.5%	5.3%
Total asset turnover	1.20	1.23
Financial leverage	1.63 Times	1.66 Times

Capital costs of Tokai Rika: 8.6%

Capital Investment Policy

[ROE breakdown: Results / Targets]

	FY 2025 results	FY 2030 target
ROE	9.0%	Over 10%
Ratio of net profit to sales	4.6%	5.3%
Total asset turnover	1.22	1.23
Financial leverage	1.62 Times	1.66 Times

Item	Mid-term initiatives	FY2025 actions
Higher sales/profit	Existing businesses: Smooth start-up and value enhancement	Expansion of orders for HMI products and sales expansion of seatbelts
	1/n capital investment and supply chain restructuring	Development of collaborative robots and introduction of compact coating booths
	Obtain profit from new areas and future business creation investment.	<ul style="list-style-type: none"> •BAMBOO+: Expansion into new areas through investment in the Kochi plant launch •Products/services under commercialization: Built promotion structures including co-creation teams
Reduction of equity capital	Recall-free	Strengthening traceability from materials to components to finished products to shipments
	Improve capital-to-assets ratio and effectively utilize leverage.	<ul style="list-style-type: none"> •Reduction of cross-shareholdings (FY2023: 15 holdings, ¥25.6 billion → FY2025: 6 holdings, ¥2.1 billion) •Shareholder returns (DOE above target and continued progressive dividend policy)
Human resources investment	Ensure shareholder return (increase dividend, obtain treasury shares, etc.) and reduce cross-shareholdings.	Introduction of stock-based compensation and continuous annual allocation to core personnel and above
Actions for sustainability	Effectively utilize treasury shares	Committee established in May 2025 (held four times); addressing issues in order of priority
Dialogue with investors	Establishing sustainability committee.	Increased number of dialogues with institutional investors and analysts by 1.5x; conducted IR briefings for individual investors
	Regular dialogue with investors inside and outside Japan Enhancement of information communication, such as IR activities to individual investors.	

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Capital Investment Policy

Cash Allocation from FY 2026 to 2027 (Growth Investments Toward FY2030)

(in billion yen)

Fund for growth	Main Item		Purpose of investment	Allocation
FY2026to 2028 CF from Operating items 130	Shareholder return		-E16Dividend policy based on a DOE of 3%, with a focus on dividend yield and consideration of additional share buybacks	65 + α
	Investment in in-vehicle business	Existing businesses	-Making new products -new factory establishment and expansion locally and overseas	75
		New fields	-Proposals and investments in new products and services aligned with changes in cockpit technologies	
Leveraging debt	New businesses/ future business creation investment		Value added services for Bqey/Uqey (Alcohol Interlock System) Innovative Lithium ion Batteries Batteries, Carbon Nanotubes, BAMBOO+, New Investment Projects (Alliances)	20
	Other enhancements to business structure		New technology center(Innovation Cube) etc.	15

Actual fund Balance

(Cash and deposits +
public and corporate
bonds - bonds
payable)

At the end of
FY 2025
110 billion yen



At the end of
FY 2028
60 billion yen
(Approx.)

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Cautionary Statement with Respect to these Materials

These materials contain forward looking statements determined by the management of Tokai Rika Co. Ltd. based on currently available information. These forward looking statements incorporate assumptions and assumption based reasonings. Information and reasonings that are based on assumptions related to the business environment may differ from actual results. Although these forward looking statements reflect the plans and expectations of future performance as determined by the management of Tokai Rika Co., Ltd., these forward looking statements are not guarantees that these plans or expectations of future performance will be achieved in full or part. In addition, unless otherwise stated, Tokai Rika Co., Ltd. shall be under no legal obligation to ensure that any forward looking statements remain up to date.